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**Third Judicial District Indigent Defender Board  
Parishes of Lincoln and Union, Louisiana**

**Annual Financial Report  
For the Year Ended December 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-9-06

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**Douglas A. Brewer, LLC**  
Certified Public Accountant

**Third Judicial District Indigent Defender Board**  
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**For the Year Ended December 31, 2005**

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**Third Judicial District Indigent Defender Board  
Management's Discussion And Analysis  
For The Year Ended December 31, 2005**

Our discussion and analysis of the Third Judicial District Indigent Defender Board's financial performance provides an overview of the Board's financial activities for the year ended December 31, 2005. Please use this discussion in conjunction with the basic financial statements.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended December 31, 2005 include the following:

- The assets of the Board exceeded its liabilities at December 31, 2005 by \$188,979 and at December 31, 2004 by \$167,328 (net assets). This entire amount is unrestricted and may be used to meet ongoing obligations and operating requirements.
- The Board's total net assets increased \$21,651 and \$49,322 for the years ended December 31, 2005 and 2004.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The MD&A is intended to serve as an introduction to the Board's basic financial statements which are the government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to private-sector businesses.

The statement of net assets presents information on all of the Board's assets less liabilities, which results in net assets. The statement is designed to display the financial position of the Board. Over time, increases or decreases in net assets helps determine whether financial position is improving or deteriorating.

The statement of activities provides information that shows how the Board's net assets changed as a result of the year's activities. The statement uses accrual basis of accounting, similar to private-sector businesses. All changes in net assets are reported as soon as the underlying event giving rise to the revenue or expense occurs, regardless of when the cash is received or paid.

**Third Judicial District Indigent Defender Board  
Management's Discussion And Analysis  
For The Year Ended December 31, 2005**

**Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Board has only one fund and it is categorized as a governmental fund. (the general fund) The Board adopts an annual appropriated budget for its general fund.

There are no reconciling items that distinguish the Government-Wide Financial Statements (GWFS) from the Fund Financial Statements (FFS).

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Financial Analysis of Government-wide Activities**

Below is a summary of the Board's government-wide financial statements for the years ended December 31, 2005 and 2004:

<b>Statement of Net Assets</b>	<b>2005</b>	<b>2004</b>
<b>Assets</b>		
Cash and Investments	\$ 166,001	\$ 128,091
Receivables	23,580	39,915
<b>Total Assets</b>	<u>\$ 189,581</u>	<u>\$ 168,006</u>
 <b>Liabilities</b>	 <u>\$ 602</u>	 <u>\$ 678</u>
 <b>Net Assets</b>	 <u>\$ 188,979</u>	 <u>\$ 167,328</u>
 <b>Statement of Activities</b>		
<b>Revenues</b>	\$ 322,668	\$ 329,738
<b>Expenses</b>	301,017	280,416
<b>Increase in Net Assets</b>	<u>\$ 21,651</u>	<u>\$ 49,322</u>

For the year ended December 31, 2005, the Board's net assets represented 58.57% of revenues, as compared to 50.75% in 2004.

Public defender fees represented 78.98% of expenses in 2005 and 79.49% in 2004.

The Board has no capital assets or long-term debt.

**Third Judicial District Indigent Defender Board  
Management's Discussion And Analysis  
For The Year Ended December 31, 2005**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no amendments to the original budget for the years ended December 31, 2005 and 2004. The budgetary comparison schedule for the general fund can be found on page 15. A summary of the 2005 and 2004 budgets is shown below:

Highlights of next year's adopted budget for the general fund include:

	<u>2005</u>	<u>2004</u>
Projected Beginning Fund Balance	\$ 167,328	\$ 118,006
Anticipated Income	273,083	224,360
Anticipated Expenditures	<u>284,700</u>	<u>287,550</u>
Projected Ending Fund Balance	\$ <u>155,711</u>	\$ <u>54,816</u>

Revenues are anticipated to remain stable for 2006. Budgeted expenditures are expected to increase due to an increase in public defender fees.

**CONTACTING THE BOARD'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional information, contact:

Mr. Lewis A. Jones, Administrator  
Third Judicial District Indigent Defender Board  
117 West Texas Avenue  
Ruston, LA 71270

# **Douglas A. Brewer, LLC**

## **Certified Public Accountant**

105 E. Reynolds Dr. Suite A

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Ruston, LA 71273-1250

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Third Judicial District Indigent Defender Board  
Parishes of Lincoln and Union, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, and each major fund of the Third Judicial District Indigent Defender Board, as of and for the year ended December 31, 2005, which collectively comprise the Board's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Third Judicial District Indigent Defender Board.

A review consists principally of inquires of the Third Judicial District Indigent Defender Board personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information on pages 1 through 3 and 15, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

*Douglas A. Brewer, LLC*

June 15, 2006

## **Basic Financial Statements**

**Third Judicial District Indigent Defender Board**  
**Statement of Net Assets**  
**December 31, 2005**

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	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and equivalents	\$ 58,951
Investments	107,050
Receivables	23,580
<b>Total Assets</b>	<b>\$ 189,581</b>
<b>Liabilities</b>	
Accounts Payable	\$ 602
<b>Total Liabilities</b>	<b>602</b>
<b>Net Assets</b>	
Unrestricted	188,979
<b>Total Net Assets</b>	<b>\$ 188,979</b>

See accompanying notes and accountant's report.



**Third Judicial District Indigent Defender Board**  
**Statement of Activities**  
**For the Year Ended December 31, 2005**

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**Expenses**

Governmental Activities:

General Government - Judicial:

Public defender fees and expenses	\$ 237,738
Operating expenses	<u>63,279</u>
<b>Total Program Expenses</b>	<u><u>301,017</u></u>

**Program Revenues**

Court costs on fines	<u>319,357</u>
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<b>Net Program Revenue</b>	18,340
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**General Revenues**

Investment earnings	2,761
Miscellaneous	<u>550</u>
<b>Total General Revenues</b>	<u><u>3,311</u></u>

<b>Increase in Net Assets</b>	\$ 21,651
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**Net Assets:**

Beginning of Year	<u>167,328</u>
End of Year	<u><u>\$ 188,979</u></u>

See accompanying notes and accountant's report.

**Third Judicial District Indigent Defender Board**  
**Balance Sheet – Governmental Fund**  
**December 31, 2005**

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	<b>General Fund</b>
<b>Assets</b>	
Cash and equivalents	\$ 58,951
Investments	107,050
Receivables	23,580
<b>Total Assets</b>	<u><u>\$ 189,581</u></u>
 <b>Liabilities And Fund Equity</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 602
<b>Total Liabilities</b>	<u>602</u>
 <b>Fund Equity</b>	
Fund Balance - Unreserved, Undesignated	\$ 188,979
<b>Total Fund Equity</b>	<u>188,979</u>
 <b>Total Liabilities And Fund Equity</b>	<u><u>\$ 189,581</u></u>
 <b>Reconciliation to Statement of Net Assets:</b>	
There are no differences from amounts reported for <i>governmental activities</i> in the Statement of Net Assets.	-
 Net Assets of Governmental Activities	<u><u>\$ 188,979</u></u>

See accompanying notes and accountant's report.

**Third Judicial District Indigent Defender Board**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended December 31, 2005**

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<b>Revenues</b>	
Court costs on fines	\$ 319,357
Investment earnings	2,761
Miscellaneous	550
<b>Total Revenues</b>	<u>322,668</u>
 <b>Expenditures - Judicial</b>	
Public defender fees and expenses	237,738
Operating expenses	63,279
<b>Total Expenditures</b>	<u>301,017</u>
 Excess of Revenues Over Expenditures	 21,651
 <b>Fund Balance:</b>	
Beginning of Year	167,328
End of Year	<u>\$ 188,979</u>

See accompanying notes and accountant's report.

**Third Judicial District Indigent Defender Board**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2005**

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## **INTRODUCTION**

The Third Judicial District Indigent Defender Board, established in compliance with Louisiana Revised Statutes 15:144-149, provides council to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district level. The judicial district encompasses the parishes of Lincoln and Union. The Board is composed of five members who are appointed by the district court. The Board members serve without compensation. Revenues to finance the Board's operations are provided primarily from court costs on fines imposed by the various courts within the district. The Board has no employees; however, it has a contract with its chief indigent defender to provide legal services to indigents.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Third Judicial District Indigent Defender Board have been prepared in conformity with governmental accounting principles generally accepted by the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

### **B. REPORTING ENTITY**

The indigent defender board is part of the operations of the district court system. However, the district court system is fiscally dependent on the Lincoln Parish Police Jury for office space and courtrooms. In addition, the police jury's basic financial statements would be incomplete or misleading without inclusion of the indigent defender board. For these reasons, the indigent defender board was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the board and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

**Third Judicial District Indigent Defender Board**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2005**

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**C. FUND ACCOUNTING**

The Indigent Defender Board use funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain board functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental funds account for all or most of the Indigent Defender Board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the board. The following are the board's governmental funds:

**General fund** – the primary operating fund of the Indigent Defender Board and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to board policy.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances report on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Indigent Defender Board operations.

The amounts reflected in the General Fund, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Indigent Defender Board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are

**Third Judicial District Indigent Defender Board**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2005**

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recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Court costs on fines and forfeitures are recorded in the year they are collected by the appropriate courts. Fees from indigents are recorded when received. Interest income is recorded in the year in which it is earned.

**Expenditures**

Expenditures are generally under the modified accrual basis of accounting when the related fund liability is incurred.

**Government-Wide Financial Statements (GWFS)**

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the board as a whole. These statements include all the financial activities of the Indigent Defender Board. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** – Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from board users as a fee for services; program revenues reduce the cost of the function to be financed from the board's general revenues.

**E. BUDGETS**

The Indigent Defender Board uses the following budget practices:

The Board adopted a budget for the year ended December 31, 2005 for the General Fund. The Board follows the following procedures in establishing the budgetary data reflected in the financial statements. During the November meeting, the chief indigent defender submits to the board members a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed

**Third Judicial District Indigent Defender Board**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2005**

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expenditures and the means of financing them. During the December meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The chief indigent defender is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the board members. Appropriations lapse at the end of the year. There were no amendments to the original budget.

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Indigent Defender board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**G. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

GASB Statement No.31 requires the Board to report investments at fair value in the balance sheet, except as follows:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors.
2. The Board may report at amortized cost money investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

**Third Judicial District Indigent Defender Board**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2005**

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**H. COMPENSATED ABSENCES**

The indigent Defender does not have a formal leave policy due to the board not having any employees.

**I. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reported period. Actual results could differ from those estimates.

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2005, the Indigent Defender Board has cash and cash equivalents (book balances) totaling \$128,091 as follows:

Interest-bearing demand deposits	\$ 58,951
Time deposits – investments	<u>107,050</u>
Total	<u>\$166,001</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2005, the Indigent Defender Board has \$180,779 in deposits (collected bank balances). These deposits are secured from risk by \$180,779 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Indigent Defender Board that the fiscal agent has failed to pay deposited funds upon demand.



**Third Judicial District Indigent Defender Board**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2005**

**3. INVESTMENTS**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Indigent Defender Board or its agent in the board's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the board's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the board's name

At fiscal year-end, the board's investments balances were as follows:

Type of investment	Category			Carrying Amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
Certificate of Deposit	\$107,050			\$107,050	\$ -	\$ -	\$107,050
Total Investments	<u>\$107,050</u>	<u>\$-</u>	<u>\$-</u>	<u>\$107,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$107,050</u>

**4. RECEIVABLES**

The receivables of \$23,580 at December 31, 2005, are as follows:

Class of Receivable	General Fund
Court costs on fines	<u>23,580</u>

**5. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$602 at December 31, 2005, are as follows:

Accounts	<u>\$602</u>
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### **Required Supplemental Information**

**Third Judicial District Indigent Defender Board**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Court costs on fines	\$ 273,083	\$ 273,083	\$ 322,668	\$ 49,585
<b>Total Revenues</b>	<u>273,083</u>	<u>273,083</u>	<u>322,668</u>	<u>49,585</u>
<b>Expenditures</b>				
Public defender fees and expenses	231,150	231,150	237,738	(6,588)
Operating expenses	<u>53,550</u>	<u>53,550</u>	<u>63,279</u>	<u>(9,729)</u>
<b>Total Expenditures</b>	<u>284,700</u>	<u>284,700</u>	<u>301,017</u>	<u>(16,317)</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	(11,617)	(11,617)	21,651	33,268
Fund Balance at Beginning of Year	<u>167,328</u>	<u>167,328</u>	<u>167,328</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 155,711</u>	<u>\$ 155,711</u>	<u>\$ 188,979</u>	<u>\$ 33,268</u>

# Douglas A. Brewer, LLC

## Certified Public Accountant

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Phone: (318) 255-8244 Fax: (318) 255-8245

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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Michael S. Coyle, President  
And Board of Directors  
Third Judicial District Indigent Defender Board  
P.O. Box 595  
Ruston, Louisiana 71273-0595

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Third Judicial District Indigent Defender Board and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Third Judicial District Indigent Defender Board's compliance with certain laws and regulations during the year ended December 31, 2005 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the *American Institute of Public Accountants* and standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000. There were no expenditures made during the year for public works exceeding \$100,000.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the president and each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of *outside business interests of the president, each board member, and employees, as well as their immediate families.*

Management provided the list.

3. Obtain from management a listing of all employees paid during the period under examination.

There were no employees during the period under examination.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

There were no employees during the period under examination. This step is not applicable.

### Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on December 7, 2004, which indicated that the budget had been adopted by the board members by a vote of five in favor and none opposed.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budget amounts by 5% or more.

I compared the revenues and expenditures of the budget to actual revenues and expenditures. Actual revenues for the year did not vary unfavorably from budgeted amounts by more than 5%. However, actual expenditures had an unfavorable variance of 5.73% from the budget.

### Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for the six disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six payments were coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from either the chief indigent defender or the president of the Board of Directors.

### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 – 12 (the open meetings law).

The Third Judicial District Indigent Defender Board is only required to post a notice of each meeting and the accompanying agenda on the door of the Indigent Defender Board's meeting place. Management asserted that such documents were properly posted and provided copies of the required notices and agendas posted along with indicating the date, time, location, and signature of the person that posted the notices and agendas.

### Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The Indigent Defender Board does not have any employees.

My prior year report, dated June 28, 2005, did not include any comments or unresolved matters.

I was not engaged to, and did not; perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Third Judicial District Indigent Defender Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Douglas A. Brewer, LLC*

Douglas A. Brewer, LLC  
Certified Public Accountant  
June 15, 2006

**Third Judicial District Indigent Defender Board  
Schedule of Findings  
For the Year Ended December 31, 2005**

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**Section I – Compliance With Certain Laws And Regulations**

**Finding 05-01 – Local Government Budget Act**

Condition:

The Board's total expenditures for the year ended December 31, 2005 had an unfavorable variance of 5.73% from budgeted expenditures. No amendment was made to correct this situation.

Criteria:

The Louisiana Local Government Budget Act (LSA-RS 39:1311 – Budgetary authority and control) requires the adoption of a budget amendment when total actual expenditures exceed total budgeted expenditures by five percent or more.

Recommendation:

The Board should amend its budget in accordance with the Local Government Budget Act.

Response:

The board will make every effort to comply with the budget act.



**Third Judicial District Indigent Defender Board  
Management's Corrective Action Plan  
For the Year Ended December 31, 2005**

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**Section I – Compliance With Certain Laws And Regulations**

**Finding 05-01 – Local Government Budget Act**

Condition:

The Board's total expenditures for the year ended December 31, 2005 had an unfavorable variance of 5.73% from budgeted expenditures. No amendment was made to correct this situation.

Recommendation:

The Board should amend its budget in accordance with the Local Government Budget Act.

Response:

The board will monitor its financial status closer in order to stay in compliance with the budget act.

**Third Judicial District Indigent Defender Board  
Schedule of Prior Year Findings  
For the Year Ended December 31, 2005**

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**Section I – Compliance With Certain Laws And Regulations**

There were no findings for the year ended December 31, 2004.

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

June 15, 2006

Douglas A. Brewer, LLC  
Certified Public Accountant  
P.O. Box 1250  
Ruston, LA 71273-1250

In connection with your review of our financial statements as of December 31, 2005 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 15, 2006.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☐ No ☒

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

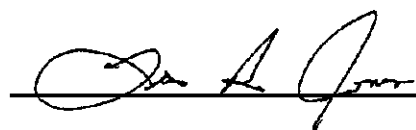
### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



Administrator 6/22/06 Date